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<b>State:</b>	District of Columbia	<b>Filing Company:</b>	Delta Dental Insurance Company
<b>TOI/Sub-TOI:</b>	H10G Group Health - Dental/H10G.000 Health Dental		
<b>Product Name:</b>	DDIC, 15HCR Grp dc DC, Rates		
<b>Project Name/Number:</b>	DDIC, 15HCR Grp dc DC, Rates/DDIC, 15HCR Grp dc DC, Rates		

## Filing at a Glance

Company:	Delta Dental Insurance Company
Product Name:	DDIC, 15HCR Grp dc DC, Rates
State:	District of Columbia
TOI:	H10G Group Health - Dental
Sub-TOI:	H10G.000 Health Dental
Filing Type:	Rate
Date Submitted:	06/06/2014
SERFF Tr Num:	DDPA-129533150
SERFF Status:	Assigned
State Tr Num:	
State Status:	
Co Tr Num:	DDIC, 15HCR GRP DC DC, RATES
Implementation	01/01/2015
Date Requested:	
Author(s):	Connie Roth, Noel Brennan, Alisa Koelling, Brandy Christian
Reviewer(s):	Darniece Shirley (primary), Alula Selassie, John Morgan, Beichen Li
Disposition Date:	
Disposition Status:	
Implementation Date:	
State Filing Description:	

**State:** District of Columbia **Filing Company:** Delta Dental Insurance Company  
**TOI/Sub-TOI:** H10G Group Health - Dental/H10G.000 Health Dental  
**Product Name:** DDIC, 15HCR Grp dc DC, Rates  
**Project Name/Number:** DDIC, 15HCR Grp dc DC, Rates/DDIC, 15HCR Grp dc DC, Rates

## General Information

Project Name: DDIC, 15HCR Grp dc DC, Rates  
Project Number: DDIC, 15HCR Grp dc DC, Rates  
Requested Filing Mode: Review & Approval

Status of Filing in Domicile: Not Filed

Date Approved in Domicile:

Domicile Status Comments: These rates will not be used in in our domiciliary state of Delaware; therefore, they have not been submitted to the Delaware Department of Insurance.

Explanation for Combination/Other:

Market Type: Group

Submission Type: New Submission

Group Market Size: Small

Group Market Type: Employer

Overall Rate Impact:

Filing Status Changed: 06/09/2014

State Status Changed:

Deemer Date:

Created By: Alisa Koelling

Submitted By: Alisa Koelling

Corresponding Filing Tracking Number: DDPA-129533151

Filing Description:

Dear Sir or Madam:

Enclosed for your review and approval is a new Delta Dental Insurance Company (NAIC Company Code 81396) small group rate filing under SERFF #DDPA-129533150.

This is an initial rate filing. These rates will be used when our DeltaCare USA product is sold direct or by a partnership relationship to small employer groups inside the District of Columbia Health Benefit Exchange. We have filed forms for use inside the exchange under SERFF #DDPA-129533151. These products will use the DeltaCare USA network and will be marketed by the District of Columbia Health Benefit Exchange, licensed agents, brokers, third party administrators, mass marketed via various publications or online.

These rates pertain to pediatric (EHB) plans Small Group/SHOP Pediatric Preferred/High and Basic/Low Plans that will provide the required coverage for the pediatric oral services required by the essential health benefits provisions of the Affordable Care Act (ACA). They also pertain to family plans Small Group/SHOP Family Preferred/High and Basic/Low Plans that will provide the required EHB coverage and dental coverage for anyone over the age of 19.

Our effective date for use of these rates will be January 1, 2015, provided the filing has been approved by or deemed approved by your Department.

Thank you for your attention to this filing. If you should need any additional information or have any questions, please do not hesitate to contact me at (916) 861-1974 or [akoelling@delta.org](mailto:akoelling@delta.org).

Sincerely,

Alisa Koelling

Regulatory Analyst

Delta Dental Insurance Company

## Company and Contact

### Filing Contact Information

Alisa Koelling, Regulatory Analyst

[akoelling@delta.org](mailto:akoelling@delta.org)

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11155 International Drive 916-861-1974 [Phone]  
 Rancho COrdova, CA 95670 916-861-2748 [FAX]

## Filing Company Information

Delta Dental Insurance Company	CoCode: 81396	State of Domicile: Delaware
1130 Sanctuary Parkway	Group Code: 2479	Company Type: LAH
Suite 600	Group Name:	State ID Number:
Alpharetta, GA 30009	FEIN Number: 94-2761537	
(770) 641-5217 ext. [Phone]		

## Filing Fees

Fee Required?	No
Retaliatory?	No
Fee Explanation:	

<b>State:</b>	District of Columbia	<b>Filing Company:</b>	Delta Dental Insurance Company
<b>TOI/Sub-TOI:</b>	H10G Group Health - Dental/H10G.000 Health Dental		
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## Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		Actuarial Memorandum (Pediatric)	GC-DC-dc-15, PGE-DC-dc-15	New		DC-AM-EHB-Grp-In Filing 05-23-14.pdf,
2		Actuarial Memorandum (Family)	GC-DC-dc-15, XGE-DC-dc-15	New		DC-AM-FAM-Grp-In Filing 05-23-14.pdf,

**ACTUARIAL MEMORANDUM****DeltaCare USA Plans****1 Scope and Purpose of Filing**

This filing pertains to the DeltaCare USA dental plans offered by Delta Dental Insurance Company (Delta Dental) in the District of Columbia. The purpose of this filing is to add two new dental plans (DeltaCare USA Pediatric Basic Plan for Small Businesses and DeltaCare USA Pediatric Preferred Plan for Small Businesses ) to our existing portfolio of plans that are provided on a prepaid limited health service contract. These new plans include pediatric benefits, covering dental Essential Health Benefits as defined by the District of Columbia. They have been developed for the purposes of the Small Group District of Columbia Exchange as promulgated under PPACA.

**2 Description of Benefits**

The DeltaCare USA program is a plan of dental care provided by Delta Dental as a Single Service Health Maintenance Organization. Copayments, limitations and exclusions may be applied to specific services, and not all services are covered by all plans. These plans are not subject to a deductible. These plans have a \$350 out-of-pocket maximum per enrollee per calendar year and a \$700 out-of-pocket maximum for multiple children on the same policy. Based on guidance regarding Essential Health Benefits, we have developed a High and a Low option which meet the ACA criteria as an 85% Actuarial Value Plan and 70% Actuarial Value Plan, respectively.

Premiums will not be charged on an issue age, attained age, or renewal age basis. These plans will only be available to children under age 19.

**3 Administrative Expenses**

Cost of Acquisition, Service and General Overhead	\$3.57 PMPM
Average Commission Load	7.5%
State Tax, ACA Tax, Exchange Fee	6.8%
Risk Margin	3.0%

**4 Contingency and Risk Margins**

DeltaCare USA plans include a margin of 3%.

**5 Rates**

The formula used for calculating the required revenue amount included in the rates proposed in this filing incorporates provider compensation levels, anticipated utilization by benefit design, member status, out-of-pocket maximum, etc.

**Statewide Rates to be offered as of 1/1/2015**

DeltaCare USA Pediatric Basic Plan for Small Businesses	DeltaCare USA Pediatric Preferred Plan for Small Businesses
\$14.49	\$17.49

**6 Sample Rate Calculation**

Capitation, Claims, Provider Reimbursement, Reserve	\$10.89
Administrative Expense	\$3.57
Average Commission Load	7.5%
State Tax, ACA Tax, Exchange Fee	6.8%
Risk Margin	3.0%
<b>Total Premium</b>	<b><math>(\\$10.89 + \\$3.57) / (1 - 0.075 - 0.068 - 0.03) = \\$17.49</math></b>

Expected Loss Ratio = Cost of Dental Care / (Gross Premium – Taxes and Fees)

Expected LR = 66.8% =  $\$10.89 / (\$17.49 - \$17.49 \times (6.8\%))$

**7 Trend**

Current trend is set at 4.0% annually. Delta Dental will review the experience of these plans and may adjust rates as necessary.

**8 Actuarial Certification**

I, Thomas J Leibowitz, FSA, MAAA, am a member of the American Academy of Actuaries and meet its qualification standards for the pricing and valuation of dental benefits. I have reviewed the attached rating materials, and to the best of my knowledge and judgment, the rates shown are developed based on actuarially sound principles. The rates are not inadequate, excessive, or unfairly discriminatory, and are appropriate for the classes of risk for which they have been computed. Rates are reasonable in relation to the benefits provided. This filing is in compliance with the applicable laws of the District of Columbia, the rules of the District of Columbia Department of Insurance, and Actuarial Standard of Practice No. 8.




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Thomas J Leibowitz, FSA, MAAA

Vice President and Chief Actuary  
100 First Street  
San Francisco, CA 94105

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**2 Description of Benefits**

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Premiums will not be charged on an issue age, attained age, or renewal age basis.

**3 Administrative Expenses**

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**Statewide Rates to be offered as of 1/1/2015**

DeltaCare USA Basic Plan for Families for Small Businesses		DeltaCare USA Preferred Plan for Families for Small Businesses	
Adult Rate	Child Rate	Adult Rate	Child Rate
\$23.49	\$14.49	\$28.99	\$17.49

**6 Sample Rate Calculation**

Capitation, Claims, Provider Reimbursement, Reserve	\$10.89
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Thomas J Leibowitz, FSA, MAAA

Vice President and Chief Actuary  
100 First Street  
San Francisco, CA 94105



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<b>TOI/Sub-TOI:</b>	H10G Group Health - Dental/H10G.000 Health Dental		
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## Supporting Document Schedules

<b>Satisfied - Item:</b>	Cover Letter All Filings
<b>Comments:</b>	Please see the attached Cover Letter.
<b>Attachment(s):</b>	DeltaCare HCR Inside Group Cover Letter (Rates).pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Certificate of Authority to File
<b>Bypass Reason:</b>	Submitter is an employee of the company.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Actuarial Memorandum
<b>Comments:</b>	Please see the attached Actuarial Memorandums.
<b>Attachment(s):</b>	DC-AM-EHB-Grp-In Filing 05-23-14.pdf DC-AM-FAM-Grp-In Filing 05-23-14.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Actuarial Justification
<b>Comments:</b>	Please see the attached Actuarial Memorandums.
<b>Attachment(s):</b>	DC-AM-EHB-Grp-In Filing 05-23-14.pdf DC-AM-FAM-Grp-In Filing 05-23-14.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	District of Columbia and Countrywide Loss Ratio Analysis (P&C)
<b>Bypass Reason:</b>	This is not a P&C filing.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	District of Columbia and Countrywide Experience for the Last 5 Years (P&C)
<b>Bypass Reason:</b>	This is not a P&C filing.
<b>Attachment(s):</b>	

<b>SERFF Tracking #:</b>	DDPA-129533150	<b>State Tracking #:</b>		<b>Company Tracking #:</b>	DDIC, 15HCR GRP DC DC, RATES
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<b>State:</b>	District of Columbia	<b>Filing Company:</b>	Delta Dental Insurance Company		
<b>TOI/Sub-TOI:</b>	H10G Group Health - Dental/H10G.000 Health Dental				
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<b>Project Name/Number:</b>	DDIC, 15HCR Grp dc DC, Rates/DDIC, 15HCR Grp dc DC, Rates				
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<b>Item Status:</b>					
<b>Status Date:</b>					
<hr/>					
<b>Bypassed - Item:</b>	Actuarial Memorandum and Certifications				
<b>Bypass Reason:</b>	This is not a binder filing.				
<b>Attachment(s):</b>					
<b>Item Status:</b>					
<b>Status Date:</b>					
<hr/>					
<b>Bypassed - Item:</b>	Unified Rate Review Template				
<b>Bypass Reason:</b>	We are not filing a rate increase or a QHP.				
<b>Attachment(s):</b>					
<b>Item Status:</b>					
<b>Status Date:</b>					

Dear Sir or Madam:

Enclosed for your review and approval is a new Delta Dental Insurance Company (NAIC Company Code 81396) small group rate filing under SERFF #DDPA-129533150.

This is an initial rate filing. These rates will be used when our DeltaCare USA product is sold direct or by a partnership relationship to small employer groups inside the District of Columbia Health Benefit Exchange. We have filed forms for use inside the exchange under SERFF #DDPA-129533151. These products will use the DeltaCare USA network and will be marketed by the District of Columbia Health Benefit Exchange, licensed agents, brokers, third party administrators, mass marketed via various publications or online.

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Our effective date for use of these rates will be January 1, 2015, provided the filing has been approved by or deemed approved by your Department.

Thank you for your attention to this filing. If you should need any additional information or have any questions, please do not hesitate to contact me at (916) 861-1974 or [akoelling@delta.org](mailto:akoelling@delta.org).

Sincerely,

A handwritten signature in blue ink, appearing to read 'Alisa Koelling', with a long, sweeping horizontal line extending to the right.

Alisa Koelling  
Regulatory Analyst  
Delta Dental Insurance Company

**ACTUARIAL MEMORANDUM****DeltaCare USA Plans****1 Scope and Purpose of Filing**

This filing pertains to the DeltaCare USA dental plans offered by Delta Dental Insurance Company (Delta Dental) in the District of Columbia. The purpose of this filing is to add two new dental plans (DeltaCare USA Pediatric Basic Plan for Small Businesses and DeltaCare USA Pediatric Preferred Plan for Small Businesses ) to our existing portfolio of plans that are provided on a prepaid limited health service contract. These new plans include pediatric benefits, covering dental Essential Health Benefits as defined by the District of Columbia. They have been developed for the purposes of the Small Group District of Columbia Exchange as promulgated under PPACA.

**2 Description of Benefits**

The DeltaCare USA program is a plan of dental care provided by Delta Dental as a Single Service Health Maintenance Organization. Copayments, limitations and exclusions may be applied to specific services, and not all services are covered by all plans. These plans are not subject to a deductible. These plans have a \$350 out-of-pocket maximum per enrollee per calendar year and a \$700 out-of-pocket maximum for multiple children on the same policy. Based on guidance regarding Essential Health Benefits, we have developed a High and a Low option which meet the ACA criteria as an 85% Actuarial Value Plan and 70% Actuarial Value Plan, respectively.

Premiums will not be charged on an issue age, attained age, or renewal age basis. These plans will only be available to children under age 19.

**3 Administrative Expenses**

Cost of Acquisition, Service and General Overhead	\$3.57 PMPM
Average Commission Load	7.5%
State Tax, ACA Tax, Exchange Fee	6.8%
Risk Margin	3.0%

**4 Contingency and Risk Margins**

DeltaCare USA plans include a margin of 3%.

**5 Rates**

The formula used for calculating the required revenue amount included in the rates proposed in this filing incorporates provider compensation levels, anticipated utilization by benefit design, member status, out-of-pocket maximum, etc.

**Statewide Rates to be offered as of 1/1/2015**

DeltaCare USA Pediatric Basic Plan for Small Businesses	DeltaCare USA Pediatric Preferred Plan for Small Businesses
\$14.49	\$17.49

**6 Sample Rate Calculation**

Capitation, Claims, Provider Reimbursement, Reserve	\$10.89
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Expected Loss Ratio = Cost of Dental Care / (Gross Premium – Taxes and Fees)

Expected LR = 66.8% =  $\$10.89 / (\$17.49 - \$17.49 \times (6.8\%))$

**7 Trend**

Current trend is set at 4.0% annually. Delta Dental will review the experience of these plans and may adjust rates as necessary.

**8 Actuarial Certification**

I, Thomas J Leibowitz, FSA, MAAA, am a member of the American Academy of Actuaries and meet its qualification standards for the pricing and valuation of dental benefits. I have reviewed the attached rating materials, and to the best of my knowledge and judgment, the rates shown are developed based on actuarially sound principles. The rates are not inadequate, excessive, or unfairly discriminatory, and are appropriate for the classes of risk for which they have been computed. Rates are reasonable in relation to the benefits provided. This filing is in compliance with the applicable laws of the District of Columbia, the rules of the District of Columbia Department of Insurance, and Actuarial Standard of Practice No. 8.




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Thomas J Leibowitz, FSA, MAAA

Vice President and Chief Actuary  
100 First Street  
San Francisco, CA 94105

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The formula used for calculating the required revenue amount included in the rates proposed in this filing incorporates provider compensation levels, anticipated utilization by benefit design, member status, out-of-pocket maximum, etc.

**Statewide Rates to be offered as of 1/1/2015**

DeltaCare USA Basic Plan for Families for Small Businesses		DeltaCare USA Preferred Plan for Families for Small Businesses	
Adult Rate	Child Rate	Adult Rate	Child Rate
\$23.49	\$14.49	\$28.99	\$17.49

**6 Sample Rate Calculation**

Capitation, Claims, Provider Reimbursement, Reserve	\$10.89
Administrative Expense	\$3.57
Average Commission Load	7.5%
State Tax, ACA Tax, Exchange Fee	6.8%
Risk Margin	3.0%
<b>Total Premium</b>	<b><math>(\\$10.89 + \\$3.57) / (1 - 0.075 - 0.068 - 0.03) = \\$17.49</math></b>

Expected Loss Ratio = Cost of Dental Care / (Gross Premium – Taxes and Fees)

Expected LR = 66.8% =  $\$10.89 / (\$17.49 - \$17.49 \times (6.8\%))$

**7 Trend**

Current trend is set at 4.0% annually. Delta Dental will review the experience of these plans and may adjust rates as necessary.

**8 Actuarial Certification**

I, Thomas J Leibowitz, FSA, MAAA, am a member of the American Academy of Actuaries and meet its qualification standards for the pricing and valuation of dental benefits. I have reviewed the attached rating materials, and to the best of my knowledge and judgment, the rates shown are developed based on actuarially sound principles. The rates are not inadequate, excessive, or unfairly discriminatory, and are appropriate for the classes of risk for which they have been computed. Rates are reasonable in relation to the benefits provided. This filing is in compliance with the applicable laws of the District of Columbia, the rules of the District of Columbia Department of Insurance, and Actuarial Standard of Practice No. 8.




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Thomas J Leibowitz, FSA, MAAA

Vice President and Chief Actuary  
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